

# STOP & SHOP

SUPER MARKETS



ANNUAL REPORT 1958





# *Annual Report for the Year*

393 D STREET, BOSTON 10, MASS.

## OFFICERS

Sidney R. Rabb  
*Chairman of the Board and Treasurer*  
Joseph Rabinovitz . . . . . President  
Irving W. Rabb . . . . . Executive Vice-President  
Jacob Rabinovitz . . . . . Vice-President  
Norman S. Rabb . . . . . Vice-President  
Donald A. Gannon . . . . . Vice-President  
Walter A. Metcalf\* . . . . . Vice-President  
Michael F. O'Connell . . . . . Vice-President  
Lloyd D. Tarlin . . . . . Vice-President  
Max E. Bernkopf . . . . . Clerk  
Arthur L. Sherin . . . . . Assistant Clerk  
George P. Kane . . . . . Assistant Treasurer

## DIRECTORS

William Applebaum	Sidney R. Rabb
Max E. Bernkopf	Jacob Rabinovitz
Norman L. Cahners	Joseph Rabinovitz
Irving W. Rabb	Arthur L. Sherin
Norman S. Rabb	Sidney L. Solomon

Lloyd D. Tarlin

## TRANSFER AGENTS

The First National Bank of Boston

## REGISTRARS OF STOCK

The National Shawmut Bank of Boston

## AUDITORS

Myron Heller & Company, Boston

## GENERAL COUNSEL

Sherin & Lodgen, Boston

\*Deceased



# 1958

*ending June 28th*

	THIS YEAR	LAST YEAR
<b>SALES</b>	\$152,390,084	\$123,106,279
<b>EARNINGS</b>		
Before taxes on income	\$ 3,926,443	\$ 3,131,436
After taxes on income	\$ 2,372,719	\$ 1,757,856
Cash dividends paid	\$ 465,961	\$ 448,718
Cash dividends per share	\$ .40	\$ .40
Stock dividend paid	4%	3%
Reinvested in the business	\$ 1,906,758	\$ 1,309,138
% to sales	1.56%	1.43%
Per share of stock now outstanding	\$ 2.01	\$ 1.49
Current Assets	\$ 13,501,420	\$ 15,052,445
Current Liabilities	\$ 7,336,213	\$ 8,916,292
Working Capital	\$ 6,165,207	\$ 6,136,153
Current Ratio	1.84	1.69
Shareholders' Equity	\$ 13,820,313	\$ 11,846,587
Stores Opened	11	15
Stores Closed	4	14
Stores in operation year end	91	84
Employees	5649	4947





**SIDNEY R. RABB**  
*Chairman of the Board*



**JOSEPH RABINOVITZ**  
*President*

## To the shareholders, employees and friends of Stop & Shop

We are happy to record another year of healthy, steady growth, surpassing all previous records. As you see in the results of our year's operation shown in capsule form on the previous page, sales advanced from \$123,106,279 to \$152,390,084, an increase of 23.8 per cent. Net income after taxes rose to \$2,372,719, up 35 per cent over the previous year.

### **A Veritable New Company**

Contrast the year's results with those of 1935, when Stop & Shop opened its first self-service stores. There were then 425 stores, with a total volume of \$17,500,000. Even in the last ten years the nature and location of our stores have changed completely. By every measurement of geographical areas and population served, management depth, personnel increase, employee promotions and benefits, payrolls, internal strength and prestige, your company is a veritable NEW Stop & Shop. We have grown significantly in customer acceptance, and in facilities for efficient handling of expanding volume. The variety of products we sell, their

ever-better quality, the progress of our people in improving techniques — all these reflect growth in stature, growth in merchandising power, growth in inner strength.

That spark of growth was ignited in 1935, when our first self-service sign appeared over a new kind of food market. It kindled a flame of enterprise and enthusiasm among our people which continues to burn as our company advances, with earnings, customer acceptance and all-round performance improving with each passing year. The NEW Stop & Shop is no longer a child; it is a grown man now of strength and character.

Each new supermarket is a landmark in Stop & Shop's growth. Every opening is an exciting, dramatic event, the most recent being the year's climax, when the public thronged to the largest and most beautiful Stop & Shop store in the Northshore Shopping Center, at Peabody, Mass. With the additions in the year just ended, Stop & Shop services are available now to four-fifths the population of Massachusetts,



three-quarters of Rhode Island, and one-half of Connecticut.

#### **Dynamic Progress of Past Five Years**

The eleven new supermarkets opened during this fiscal year added substantially to our sales. It is significant that 70 per cent of our current sales come from supermarkets opened in the past five years. In this relatively short space of time, we have added 600,000 square feet — almost fifteen acres — of selling space facilities through our new and enlarged markets. And during this same five-year period, our sales have increased 2.3 times — from \$66 million to over \$152 million. Net earnings increased almost 3 times, rising from \$827,000 to \$2,372,719.

Our profit ratio during this same five-year period has improved from 1.24 to the current ratio of 1.56. This reflects our continually improving operating and merchandising techniques.

#### **Internal Sources Finance Expansion**

Stop & Shop expects to be able to continue to finance its expansion program from internal sources, using retained earnings and depreciation reserves.

Our plan of real estate financing enables the company to continue to acquire and develop new store locations through our subsidiary companies. The lease of the parent company supports the financing of the project by the subsidiary and the consolidated balance sheet liability of real estate debt is essentially the capitalization of our lease liabilities on the property we own. As each loan is paid in full, the cash flow of the consolidated companies will be increased and our occupancy cost on the paid-up properties will be substantially reduced.

#### **We're Exclusive in Several Major Shopping Centers**

Among our superb new supermarkets, five are located in shopping centers to which multitudes of buyers turn to avoid traffic-jammed

city streets. The five are in Middletown, R. I., near Newport; Holyoke, Mass.; Waterbury, Conn.; Thompsonville, Conn.; and Peabody, Mass. The latter, the Northshore Shopping Center, is one of the largest in America. We also have accepted invitations to be the exclusive supermarket operator in the South Shore Plaza, Braintree, Mass. as well as in the Connecticut Post Shopping Center at Milford, Conn., which is being built by the developer of the Cross County Center of Yonkers, N. Y.

#### **Additional Service Facilities**

Additional service facilities are being provided to service our expanding volume. A new fully automatic bread plant is ready for production and a new grocery warehouse is moving from the planning to the construction stage. More detail on these two new facilities with illustrations of each will be found on succeeding pages.

An addition to our headquarters offices at D Street, Boston, has provided a 50 per cent increase in office space to take care of our expanding needs. This will also provide better facilities for the reception of those who visit us to do business with our company.

#### **Intensive Real Estate Activity**

Once more our real estate subsidiaries have had their busiest year. They constructed seven of the new store locations opened during the year and enlarged three existing stores. In addition, they built stores for other tenants adjacent to our markets in Holyoke, Worcester and Everett, Mass. These stores add to the traffic in the area of our supermarkets.

Both the completed office enlargement and the planned grocery warehouse are also projects of our real estate subsidiaries.

All completed buildings have been financed and mortgage commitments arranged for all properties now under construction. Fifty of our stores are located in properties that we own.



These stores contribute over two-thirds of our total sales.

So far in this current fiscal year beginning June 30, 1958, we have opened one new store, nine are under construction and there are 12 additional locations for future stores which we already own or lease. The new stores will be in easily accessible areas with generous parking space. The colorful, bright and clean Stop & Shop establishments are drawing many thousands of new customers from communities far beyond the purely local shopping zones. Every new large store automatically broadens our geographical trading area or improves our position in existing trading areas.

#### **430 Promotions in Year**

Our personnel continues to grow with Stop & Shop's business expansion. There were 702 persons added to the payroll during the year, making a total of 5,649 employees at the end of the fiscal year. Each employee receives training for his job, and promotion is based on his record indicating that he should be given the opportunity to accept increased responsibilities. There were 430 promotions during the year made possible by our expansion.

The rapid growth of Stop & Shop has emphasized the necessity of having qualified men ready for better jobs. Our training program and our systematic evaluation of our human assets enable us to pick for promotion from our own

ranks most of the men and women to be entrusted with running our new supermarkets. A store opening means the promotion of about 30 employees and the hiring of many others.

#### **Information on People in Management**

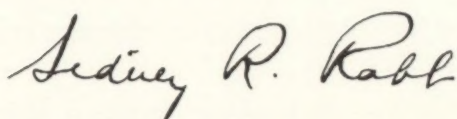
At the Annual Meeting held in September 1957, Mr. Irving W. Rabb was elected executive vice president and Mr. Norman L. Cahners was elected a director. Mr. Cahners is president of Materials Handling Laboratories and publisher of two nationally distributed magazines "Metalworking" and "Modern Materials Handling."

With deep regret we record here the death on July 8, 1958 of Mr. Walter A. Metcalf who had been serving as vice president in charge of operating services. His contributions during our recent period of active progress were many.

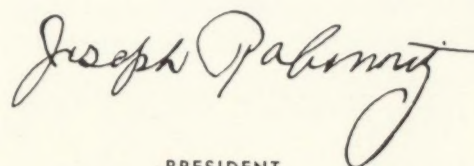
#### **Together We Raise Living Standards**

Our splendid group of people, at all levels of responsibility, have worked well together to make our growth possible. We are most appreciative of their loyal efforts.

Again we have passed another milestone in our dynamic growth. In our program for the coming year we have raised our sights to greater goals. The strength and enthusiasm of our people give us confidence that our company will continue its successful growth pattern as planned.



CHAIRMAN OF THE BOARD



PRESIDENT

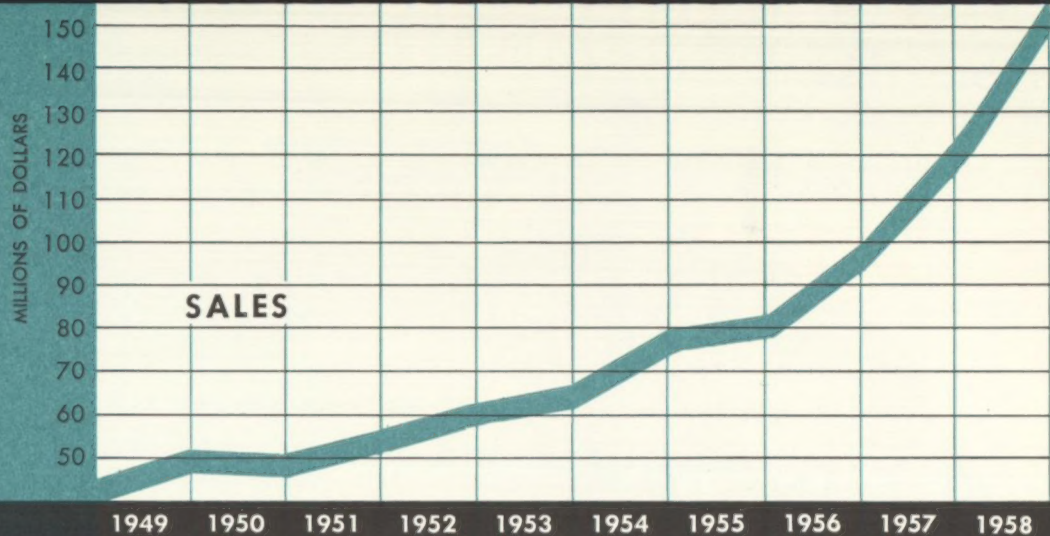


## SALES

Ten years' sales results show an almost continuous upward climb, with an increase of 23.8% in the last fiscal year.

Years	Total
1949*	\$50,227,183
1950	50,039,306
1951	56,453,839
1952	62,576,777
1953	66,791,894
1954*	79,651,017
1955	82,430,337
1956	98,189,345
1957	123,106,279
1958	152,390,084

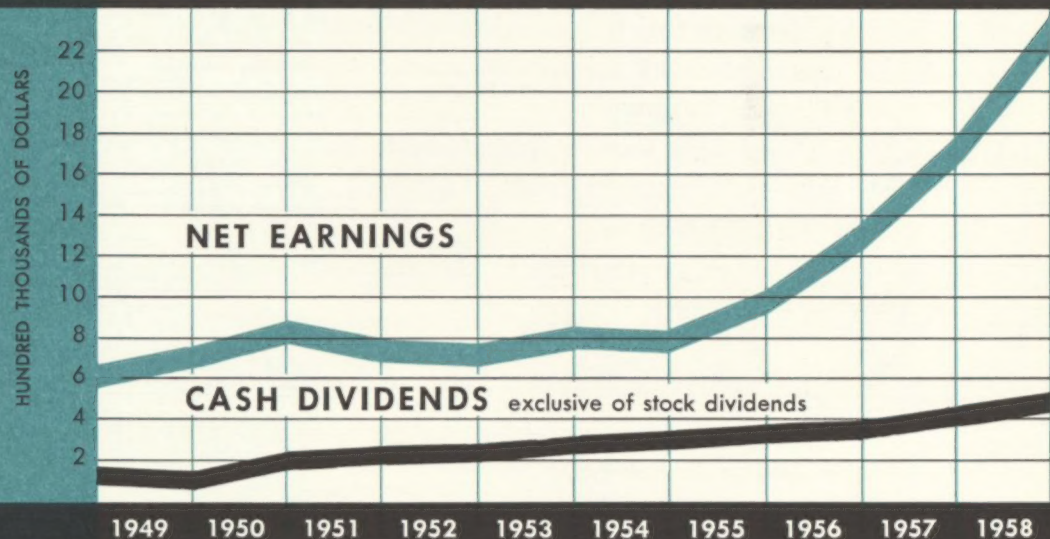
\*53 weeks.



## NET EARNINGS

Net earnings have increased over 300 per cent in 10 years.

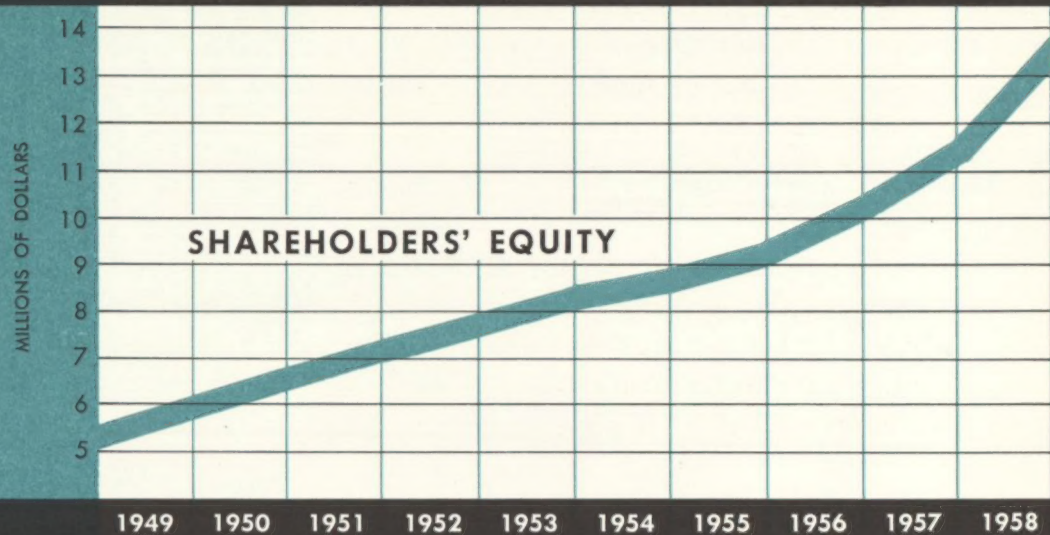
Years	Net Earnings	Cash Dividend
1949	\$758,000	\$175,000
1950	874,000	234,000
1951	780,000	252,000
1952	749,000	277,000
1953	827,000	309,000
1954	802,000	333,000
1955	1,003,000	350,000
1956	1,374,000	398,000
1957	1,757,856	448,718
1958	2,372,719	465,961



## SHAREHOLDERS' EQUITY

Shareholders' equity represents the shareholders' original investments plus retained earnings.

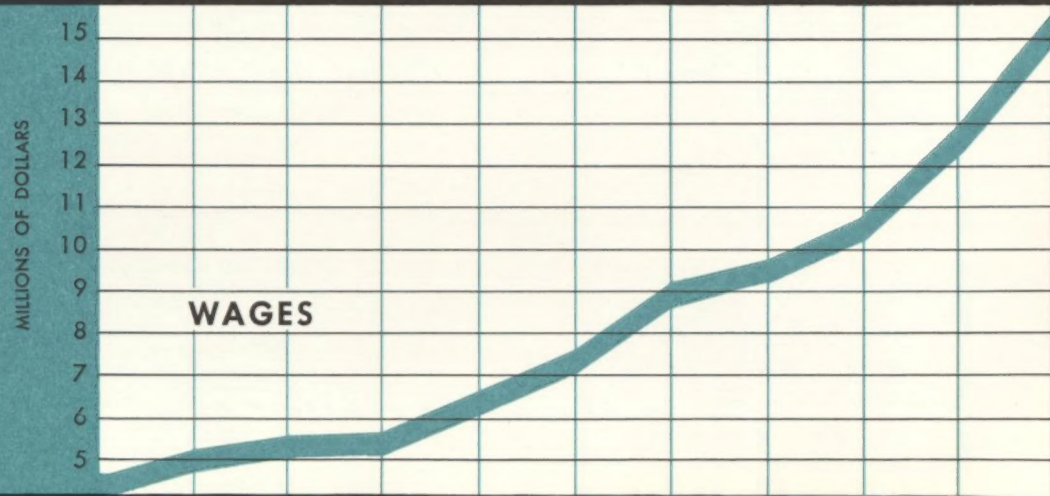
Years	Total
1949	\$6,137,146
1950	6,777,424
1951	7,315,987
1952	7,912,352
1953	8,439,503
1954	8,908,204
1955	9,561,721
1956	10,537,449
1957	11,846,587
1958	13,820,313



## WAGES

Wages reflect both the ten years' growth in personnel and the increase in hourly rates.

Years	Total
1949	\$5,278,199
1950	5,469,929
1951	5,642,601
1952	6,630,635
1953	7,482,512
1954	9,158,869
1955	9,709,971
1956	10,718,086
1957	12,980,850
1958	15,762,912





# Here's how we distributed **each \$1** of sales receipts



**82.8¢**

Cost of Goods — for merchandise, transportation, miscellaneous expenses and handling costs other than wages.

**11.2¢**

For wages and other employee benefits, including social security, retirement income and group insurance.

**1.2¢**

For taxes — Federal and State.

**2.0¢**

For store rentals, light, heat and other utilities.

**1.2¢**

Set aside for wear and tear on equipment and buildings and spent for their maintenance and repair.

**.3¢**

Cash dividends paid to shareholders exclusive of stock dividends.

**1.3¢**

Remainder to build new stores, improve others, and provide for emergencies.

The last two items together total the net profit on each dollar of merchandise sold by Stop & Shop in 1958 Fiscal Year.



# Henry King Plain American

## has it better than King Henry

King Henry, the monarch possessing all the wealth of the British throne, never dreamed of such meals as Henry King, plain American, takes as a matter of course.

Henry King has in his modern supermarket, foods from the four corners of the earth. Through the medium of swift transportation, refrigeration and expert handling, he has them on his table at the peak of their perfection. Year-round he is accustomed to fresh vegetables, fresh fruits, fresh meats, fresh juices. If he wants strawberries, he has them when he wants them.

The ancient monarch would have gazed open-mouthed at the wondrous fresh variety offered by a modern supermarket. His Majesty could get fresh meat only by having an animal slaughtered on the spot.

The assurance of perfect food protection is something our modern Henry King can take for granted. Rigid inspection, regulated processing, modern refrigeration and expert store handling techniques are his guarantee that what he purchases is pure, palatable, nourishing and in endless variety.

Doubtless King Henry the monarch had a royal chef to make his diet palatable. But plain American Henry King enjoys, in processed foods, the mouth-watering artistry of the world's master chefs. He has at his beck and call savory prepared foods, canned or frozen, in a variety that the monarchs of the ancient world could not conjure up with all their court magicians.



Scores of foreign and domestic food delicacies, once obtainable only in stores specializing in imported goods, now can be had by anyone on his trip to the modern supermarket. That fact has far-reaching significance in the light it throws on the change in America's buying and eating habits. Our supermarkets make available better foods for more people even though their different tastes may call for things once wholly foreign to the American palate.

Stop & Shop supermarkets have developed a large volume of sales, and therefore lower prices, on foods of a high quality previously obtainable only at high-priced specialty stores. The housewife with a budgeted purse finds at Stop & Shop a highly selective choice of foods far better in nutritive value, taste, freshness and purity than her parents, whatever means, could have purchased a few years ago.

The following food products at Stop & Shop have gained unusual acceptance for their superior quality: Stop & Shop's own bakery products; our fresh eggs, delivered by farmer-cooperatives direct to our stores; our famous White Gem poultry; 93 Score AA butter; our sharp cheese; hotel type coffee; best quality meats; produce and the wide selection of appetizers in our delicatessen departments.

Yes, plain American Henry King lives much better than King Henry, with all his wealth and power, ever did.





Cons

## ASSETS

### CURRENT ASSETS:

	June 28, 1958	June 29, 1957
Cash on hand and in banks . . . . .	\$ 3,166,315.62	\$ 5,086,612.28
Unremitted funds on executed real estate mortgages (See Note 1) . . . . .	212,000.00	370,000.00
\$250,000.00 U. S. Treasury Bills . . . . .		248,767.22
<b>Accounts Receivable:</b>		
Due from trade debtors, sundry claims and ad- vances less reserve . . . . .	533,020.13	536,964.72
Due from employees . . . . .	5,081.05	2,566.46
<b>Inventories:</b>		
Physical inventories evaluated at average invoice cost or lower than cost, reflecting market prices, including merchandise in transit . . . . .	9,585,004.02	8,807,534.89
<b>Total Current Assets</b> . . . . .	\$13,501,420.82	\$15,052,445.57
Officers' life insurance at cash surrender value . . . . .	187,893.84	167,405.34

### INVESTMENTS IN REAL ESTATE:

Land and buildings owned in fee simple, at cost, including unamortized cost of leasehold improve- ments (See Note 2) . . . . .	\$23,764,940.79	\$19,734,831.37	
Less — Reserve for depreciation of buildings . . . . .	1,835,408.11	21,929,532.68	1,425,252.23
			18,309,579.14
Other Investments in companies not controlled . . . . .		100,443.20	30,835.20

### FIXED ASSETS (at cost):

Land and buildings . . . . .	\$ 112,063.49	\$ 112,063.49	
Store equipment, fixtures, etc. . . . .	5,943,203.40	5,719,793.65	
Warehouse and office equipment, fixtures, etc. . . . .	762,119.38	609,646.76	
Manufacturing machinery and equipment . . . . .	1,529,658.73	1,581,456.36	
Automobiles and trucks . . . . .	44,419.92	40,434.97	
<b>Total</b> . . . . .	\$ 8,391,464.92	\$ 8,063,395.23	
Less — Reserves for depreciation . . . . .	2,698,260.76	5,693,204.16	3,479,066.39
			4,584,328.84

### DEFERRED CHARGES TO OPERATIONS:

Unexpired insurance premiums at unearned values . . . . .	\$ 85,003.37	\$ 89,735.56	
Unamortized costs of rehabilitation of store loca- tions, warehouses and leaseholds (See Note 3) . . . . .	2,582,377.02	2,441,587.87	
Construction, maintenance and store supplies . . . . .	710,204.35	554,231.63	
Unamortized expense and discount on parent com- pany long term debt . . . . .	21,936.00	23,686.00	
Other deferred expenses . . . . .	81,548.88	68,607.58	3,177,848.64
		\$44,893,564.32	\$41,322,442.73

## Notes Relating to Financial Statements — June 28, 1958

NOTE 1. Mortgages have been placed and executed on two parcels of real estate owned by the parent company's wholly-owned real estate subsidiaries with total principal of \$411,900.00 of which \$199,900.00 have been received prior to the close of the fiscal year and \$212,000.00 subsequently.

NOTE 2. Cost of land and buildings of various locations owned by parent's wholly owned subsidiaries and leased to it and to others for sundry terms to 25 years. Unamortized cost of leasehold improvements of \$3,053,785.34 and \$1,666,435.80 have been added at June 28, 1958 and June 29, 1957 respectively.

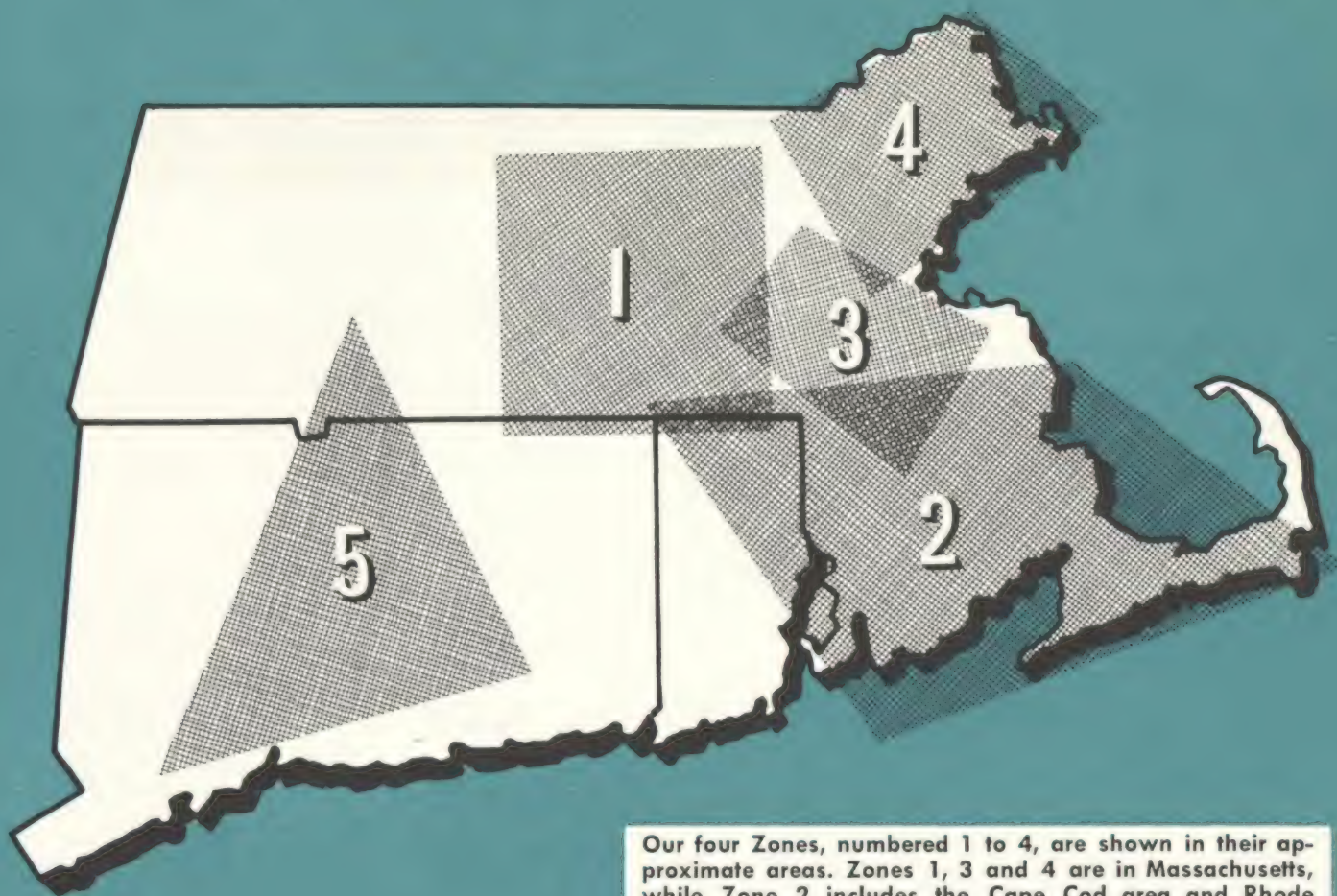
NOTE 3. Amortization of store and warehouse rehabilitation costs and leaseholds is spread over the term of the lease or its life, whichever is shorter.

NOTE 4. The notes originally aggregating \$4,500,000.00 bearing interest at the rate of 3½% per annum are dated February 29, 1956 and June 11, 1956 for \$3,500,000.00 and \$1,000,000.00 respectively. Payments on account of principal of these notes are required in an amount of \$250,000.00 on February 1, 1959, which had been prepaid, and on each February 1, thereafter.

NOTE 5. Equipment loans with an aggregate balance of principal of \$1,193,325.84 with varying annual interest rates of 4¼, 4¾ and 5¼ per cent and providing for monthly principal payments, run for an original period of six years. These loans are also secured by the assignment of leases running from the parent to subsidiary companies as owners. Principal payments due prior to July 1, 1959 had been prepaid.

Unsecured bank loans of \$275,000.00 were placed May 1, 1957 maturing April 15, 1960 and bear interest at





Our four Zones, numbered 1 to 4, are shown in their approximate areas. Zones 1, 3 and 4 are in Massachusetts, while Zone 2 includes the Cape Cod area and Rhode Island. The Hartford Unit (number 5) centers on the Connecticut Valley section of Massachusetts and Connecticut.

## Streamlined organization to handle expanding volume

To simplify operations we have streamlined our procedures to achieve decision-making down the line as close to the point of action as possible. Local store managers thus are given maximum responsibility in the communities they serve.

Four territorial zones have now been set up to complete our immediate program of decentralization. Each of these zones is under the direction of a zone manager with four specialists as assistants in our major merchandising fields and personnel administration. The four are:

assistant zone manager (grocery merchandiser), meat merchandiser, produce merchandiser and personnel supervisor. Each zone embraces all the stores within a geographical area.

The Connecticut and Western Massachusetts area operates as a separate unit with headquarters in Hartford, Conn. under the direction of a unit head.

This overall plan of supervision is an important step forward in the development of management depth which is vital to rapid expansion.



# Consolidated Income Statements

(including wholly-owned subsidiary companies)

	Fiscal Year Ended June 28, 1958	Fiscal Year Ended June 29, 1957
<b>SALES</b> (at retail) .....	\$152,390,084.34	\$123,106,279.38
Less — Cost of sales and operations .....	147,953,505.31	119,643,782.13
	<u>\$ 4,436,579.03</u>	<u>\$ 3,462,497.25</u>
<b>ADD OTHER INCOME:</b>		
Cash discounts on purchases, interest income, etc..	1,031,274.35	810,891.63
Gain on sale and retirement of capital assets .....	<u>96,228.60*</u>	<u>100,350.55</u>
Income before deducting depreciation, interest and federal income taxes .....	<u>\$ 5,371,624.78</u>	<u>\$ 4,373,739.43</u>
<b>DEDUCT:</b>		
Depreciation of buildings, equipment, trucks and automobiles (See Note 8) .....	\$ 1,254,631.66	\$ 1,039,180.99
Interest on unsecured loans, etc. ....	190,549.74	203,122.17
<b>Total</b> .....	<u>\$ 1,445,181.40</u>	<u>\$ 1,242,303.16</u>
Net income before deducting federal income taxes ....	\$ 3,926,443.38	\$ 3,131,436.27
Less — Federal income taxes (estimated) .....	<u>1,553,724.25</u>	<u>1,373,579.67</u>
<b>NET INCOME TO SURPLUS</b> .....	<u>\$ 2,372,719.13</u>	<u>\$ 1,757,856.60</u>

\*Loss

## Consolidated Surplus Statement

Fiscal Year Ended June 28, 1958

<b>BALANCE</b> , June 29, 1957 .....	\$6,619,485.61
Add — Net income for the fiscal year ended June 28, 1958 .....	2,372,719.13
	<u>\$8,992,204.74</u>
<b>Deduct:</b>	
Cash dividends paid quarterly .....	\$465,961.90
4 Per cent capital stock dividend paid November 1, 1957 .....	809,549.91
	<u>1,275,511.81</u>
<b>BALANCE</b> , June 28, 1958 .....	<u>\$7,716,692.93</u>

### Accountants' Certificate

We have made an examination of the books and accounts of Stop & Shop, Inc., including its wholly-owned affiliates, for the fiscal year ended June 28, 1958. In accordance with generally accepted auditing standards applicable in the circumstances, omitting no procedure inherent therein, this examination consisted of a detailed audit of such transactions that we believed to be important, that were effected during the fiscal year above stated, but did not include a detailed audit of all transactions. We have verified by outside confirmation such of the balance sheet items we deemed appropriate and necessary; and we are of the opinion, by reason of our familiarity with the controls and accounting records of the companies, and

having applied necessary auditing procedures, that those items not verified in this way are correctly stated.

In our opinion, based upon such examination, the attached financial statements and their relative notes fairly present, in accordance with generally accepted principles of accounting applied on a basis consistent with previous years, the financial position of the companies at June 28, 1958 and earnings for the fiscal year ended with that date.

Boston, Massachusetts  
September 4, 1958

MYRON HELLER & COMPANY  
Certified Public Accountants



# olidated Balance Sheet

(including wholly-owned subsidiary companies)

## LIABILITIES

### CURRENT LIABILITIES:

Accounts payable — trade creditors on open account  
Current amortization payments on term promissory  
notes.....  
Current amortization payments on real estate mort-  
gages of wholly-owned subsidiaries.....

### Accrued Accounts:

Federal income taxes (estimated).....  
State income, excise and other state and municipal  
taxes.....  
Social security and unemployment insurance —  
federal and state.....  
Other accrued items including interest, pay roll,  
and profit sharing bonuses.....  
**Total Current Liabilities.....**

3½ % Promissory Notes due February 1, 1971  
(See Note 4).....

Fixture and Equipment loans (See Note 5).....

4¾ % Term Promissory Notes due April 15, 1960  
(See Note 5).....

Purchase money obligations of wholly-owned subsidi-  
aries under mortgages on real estate to be amortized  
by monthly and quarterly payments (See Note 6) ..

### CAPITAL:

Authorized 2,000,000 shares of \$1.00 par value capi-  
tal stock of which 1,179,124 shares are issued and  
outstanding (See Note 7).....  
Capital Surplus (See Note 7).....  
Surplus.....

### June 28, 1958

\$ 4,747,292.46

459,732.43

927,977.31

530,581.49

160,633.23

509,996.76

\$ 7,336,213.68

4,250,000.00

1,193,325.84

76,388.86

18,217,322.32

\$ 1,179,124.00

4,924,496.69

7,716,692.93

13,820,313.62

\$44,893,564.32

### June 29, 1957

\$ 5,739,565.68

261,393.12

791,048.97

1,172,552.31

404,326.68

125,090.42

422,315.01

\$ 8,916,292.19

4,500,000.00

796,411.92

168,055.54

15,095,095.27

\$ 1,130,034.00

4,097,068.20

6,619,485.61

11,846,587.81

\$41,322,442.73

4¾ % per annum. These loans, in part, have been prepaid leaving an aggregate balance of principal of \$76,388.86 at the close of the fiscal year.

NOTE 6. Term loans with sundry original maturities to 25 years and not assumed by either the parent or its subsidiaries, are, nevertheless, secured by real estate mortgages and assignment of leases running from the parent to its subsidiaries. Principal payments amounting to \$485,350.64 due prior to July 1, 1959 had been prepaid.

NOTE 7. The Capital Surplus was increased by \$764,348.91 and Capital Stock by \$45,201.00 resulting from a 4% capital stock dividend paid on November 1, 1957. This required a reduction of Earned Surplus of \$809,549.91.

Under a restricted Stock Option Plan for officers and employees adopted by the stockholders February 20, 1956, there were set aside for optionees, to be exercised prior to

December 12, 1964, 56,238 shares of the Parent Company Capital Stock of which 3,889 shares have been issued and 52,349 shares reserved under the plan at June 28, 1958.

NOTE 8. Equivalent rates of depreciation were applied to the cost valuation of the depreciable property as were applied in the previous year. The depreciation charge of real estate buildings owned by wholly-owned real estate subsidiaries amounted to \$400,872.62 as compared with \$360,647.23 the preceding year. Depreciation deductions for the purpose of ascertaining the federal income tax liability were computed on an accelerated basis, permitted by the applicable provisions of the 1954 Revenue Act, resulting in additional depreciation for Federal Income Tax returns of \$330,160.71 and \$123,746.18 for the current and previous fiscal years respectively.

Fully depreciated fixed assets amounting to \$1,391,170.69 were withdrawn from the asset valuations and their respective reserves for depreciation at June 28, 1958.





Checkout area of our largest supermarket, in the Northshore Shopping Center at Peabody, Mass. The 14 checkout booths serve customers entering both sides of the building from the huge parking areas

## **New Stores** keep pace with **Stop & Shop's expanding trade**

Our physical growth, throughout the area we serve, has kept pace with our expanding volume. To the left are listed the eleven new stores opened during the past fiscal year. Also shown are the five major remodelings made during the same period.

This is a continuation of the planned pattern of growth to fill in areas where we are not represented and to strengthen our position in areas where we already have considerable influence on shopping habits.

Eight of the new stores are in Massachusetts. Hyde Park and Needham added to our Greater Boston representation. In the southeast part of the state new stores were opened in New Bed-

ford where we are well established, and in North Attleboro and Taunton which are new areas for us. The North Shore was strengthened with our openings in Gloucester and at Peabody in the Northshore Shopping Center. In the western part of the state, Holyoke brought us into a new area.

Middletown, Rhode Island, in the Greater Newport area continued our expansion in this state which we had entered for the first time last year. In Connecticut, Stop & Shop expansion continued with new stores in Thompsonville and Waterbury.

The five major remodelings reflect the growth of business in established sites.





Hyde Park  
Massachusetts



Middletown  
Rhode Island



Holyoke  
Massachusetts

**Eleven new stores opened  
in 1958 Fiscal Year.**

North Attleboro, Mass.  
Taunton, Mass.  
Waterbury, Conn.  
Thompsonville, Conn.  
Needham, Mass.  
Hyde Park, Mass.

Middletown, R. I.  
Holyoke, Mass.  
Gloucester, Mass.  
New Bedford, Mass.  
Peabody, Mass.

**Five Stores remodeled  
in 1958 Fiscal Year**

East Boston, Mass.  
Chelsea, Mass.  
Norwood, Mass.

No. Cambridge, Mass.  
Cambridge, Mass.





## Bakery Plant



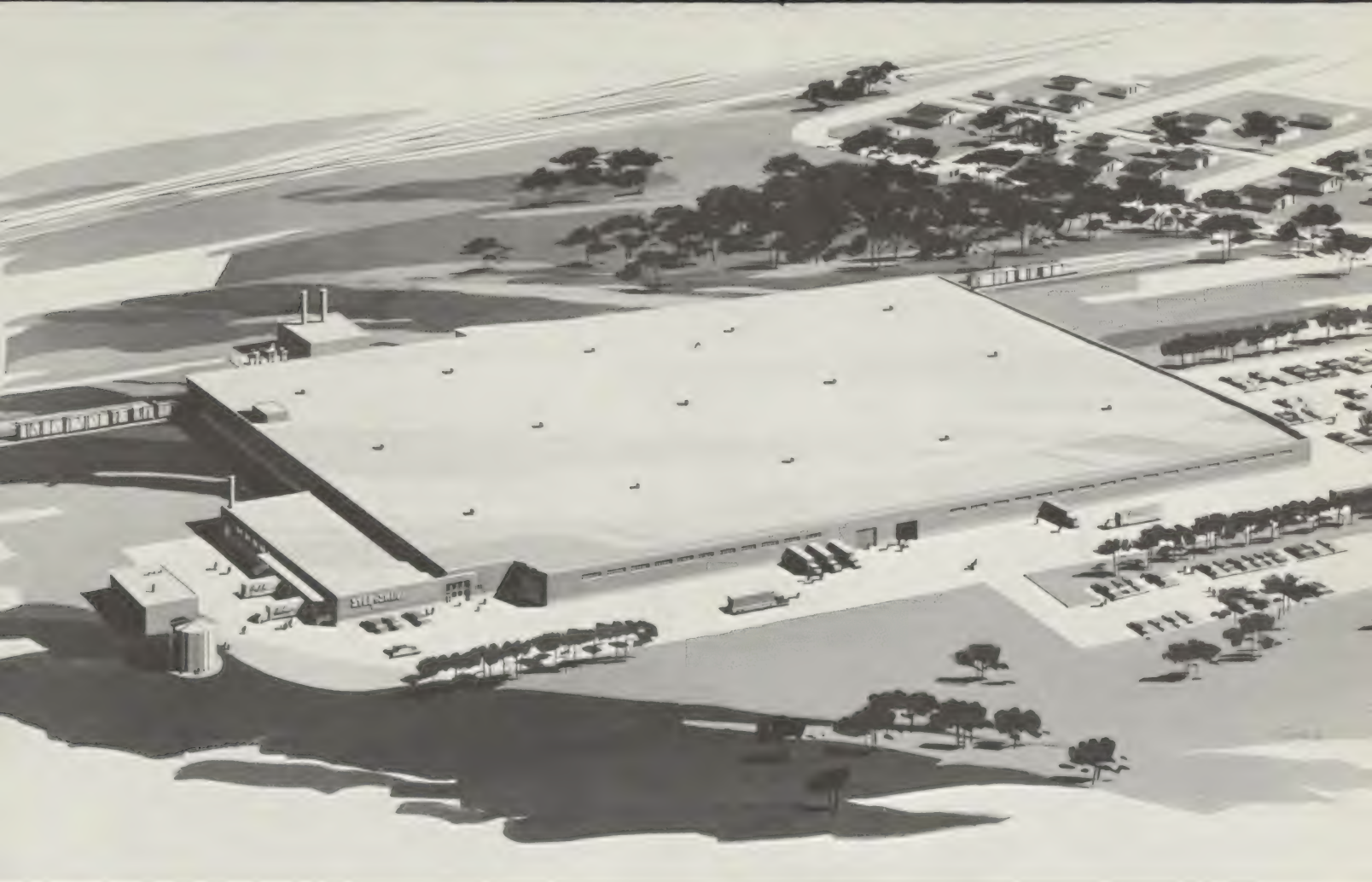
## enlarged to meet increased demand

With the opening of our new fully automatic bread plant this fall, Stop & Shop's bread, truly the "staff of life" for the bakery sections of our stores, will flow from oven to shoppers' carts with increased speed to meet growing customer acceptance. The new plant will have the capacity to produce 70% more bread than the old, and its modern equipment will insure more precise control of baking speed, temperatures and humidity. These three factors, in turn, control uniformity in freshness and taste and make

it possible for us to offer truly superior quality breads at a most attractive price.

Stop & Shop's own bakery specialties have achieved the reputation for superiority in quality. Our bread sales have been taxing the capacity of the bakery plant. The opening of the new bread plant releases for other bakery products the facilities formerly used for bread making, with the result that production of Stop & Shop cakes, pies and other specialties can be approximately doubled.



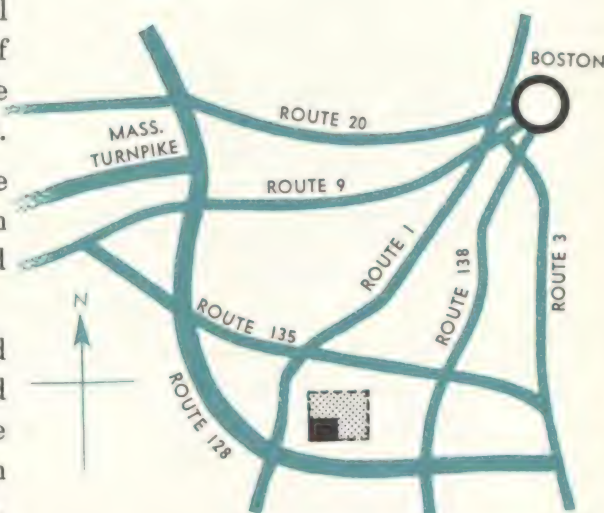


## New Warehouse to meet growing needs

A new building for the storage and distribution of dry groceries is planned for construction on our 72-acre tract on the Readville-Dedham line, 10 miles from downtown Boston. It will include a salvage depot and truck repair shop. This first unit of what may eventually be a complete distribution center will have 456,000 square feet of space and is scheduled to open late in 1959.

The site gives easier access to arterial highways and will free much of Stop & Shop truck transportation from the congestion of Boston streets. It will mean a saving in delivery time and transportation costs.

Facilities for loading and unloading supplies from trucks and railroad cars will be in enclosed areas, where employees and merchandise are protected from bad weather. The warehouse will make use of every modern technique and the proven best in warehouse materials-handling equipment. When completed, this distribution center will be one of the most efficient in operation and will provide the increased facilities needed to handle the increasing requirements of our company.







Art in a supermarket was one of the many community endeavors of our Memorial Drive, Cambridge store. The art exhibit was held in conjunction with The Institute of Contemporary Art. Featuring the work of residents of New England, the exhibit made it possible for many people to view the efforts of these contemporary artists. In advertising the showing, our company pointed out that this was ideal for those customers who could not get to art galleries but would like to see these works of art.

## Imaginative Promotional Activities win friends and build sales

Making friends and building sales for Stop & Shop are the principal aims of our advertising and promotional activities.

The prime media of newspapers, television and radio have been used to carry the major part of our presentation to the public. During the past year increased use of direct mailing has broadened the base of our impact on the public. We have continued our stress on effective point-of-sale material to carry our selling messages directly to the customer at the time she is making her buying decisions.

Our efforts have been honored by awards from the Brand Names Foundation, McCall's Magazine, Food Ad-Views, and the National Federation of Advertising Agencies.

Top stars such as Charles Bickford (above) and William Gargan (below) were featured in the two television series sponsored by Stop & Shop.







Block dance, held prior to the opening of our new Holyoke, Mass. supermarket, attracted crowds of spectators as well as dancers.



Jim Piersall of the Red Sox (left) assisted by store people entertained Little League members at our Waterbury, Conn. supermarket.



Speedy eaters were these happy Boy Scouts, winners of the blueberry pie eating contest sponsored at our supermarket in Framingham, Mass.



Kids and canines line up for prizes at the dog show held in the parking lot of our store in Weymouth, Mass.



Throngs await their turn to enter during the opening of our largest store, situated in the Northshore Shopping Center at Peabody, Mass.





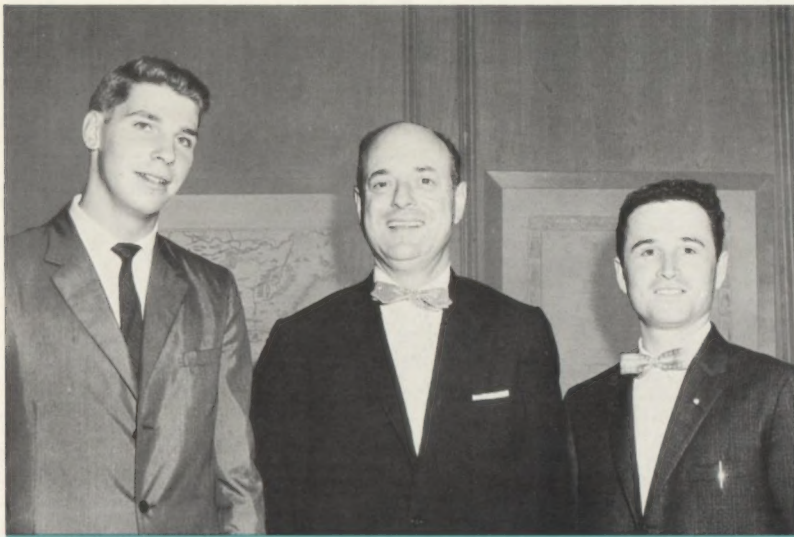
Governor Furcolo of Massachusetts swears in our Board Chairman Sidney R. Rabb as trustee of the Massachusetts General Hospital.

## **The competence and character of our people contribute most to the Company's growth**

Stop & Shop, the "better place to work", offers to its people, aside from good income, improved physical comfort and convenience, cheerful companionship, fringe benefits such as retirement income, life insurance plus sickness and accident protection, and unusual opportunities for recognition and advancement. The company's growth, in itself, creates a constant demand for "career" people within the organization to step into better jobs as they become available. With the opening of each new supermarket, employees are promoted who have been selected because of their individual merit, as determined by a check of actual performance that the company maintains for every job holder. Our training program, starting when a new employee begins work, helps to prepare him for greater responsibility and advancement as openings occur.

To our customers Stop & Shop Super Markets offer an atmosphere of cheerfulness, friendliness and willing helpfulness. That indefinable element called "spirit" is an asset that cannot be marked with a price tag but nonetheless it is one that builds customer goodwill and acceptance, profitable sales, and new supermarkets.





We had two winners in the competition sponsored by the National Association of Food Chains Scholarships for the curriculum in food distribution at Cornell University. Executive Vice-President Irving W. Rabb, (center) congratulates the winners Arthur Edgerly of our Somerset store and Norman Sidel of our Hyde Park store.



Our two top checkers this past year: Left, Lucille Swidey, our entry in the Super Market Institute Checker of the Year contest. Right, Christine Devine, winner of the Andrew C. Kuhn Memorial Award.



The honorary degree of Doctor of Humane Letters is conferred on our Vice President, Norman S. Rabb, at Brandeis University commencement.



George Clayton, our personnel relations manager, is a member of the school committee in his home town of Middletown, Mass.



Stephen Falcione, store manager of our large Brighton store, is treasurer of the Workingmen's Mutual Benefit Society of Boston.



Walter Heffernan, our security officer, is chairman of the Weymouth Planning Board.



Walter Lennon, store manager at our Everett store, is a director of the Everett Chamber of Commerce.



Harry Shain, our director of advertising and sales promotion, is vice president of the Norumbega Council, Boy Scouts of America.



Frank Walton, store manager at our Revere store, is vice president of the Saugus Credit Union serving several North Shore communities.



# *The Stop & Shop Code*

*We resolve that in our day-to-day relations with people we shall:*

Deal with each employee fairly and with respect for his human dignity.

Provide good wages and working conditions and social benefits consistent with current practice in our industry and company earnings.

Make every effort to insure security of employment.

Develop employees in accordance with their natural capacities and afford opportunities for advancement based on merit.

Provide safe and pleasant work environments.

Conduct fair and just relations with representatives chosen by employee groups.

Deal cheerfully with customers in providing good values in a wide choice of desirable merchandise.

Support the advancement of good citizenship and community progress in our areas.

Work for company growth and profit to insure a fair return to our shareholders.

Be fair in our dealings with sources of supply and others who serve our company.

The logo for Stop & Shop Super Markets is located in the bottom right corner. It consists of a blue, stylized, cloud-like shape with a white border. Inside this shape, the words "STOP & SHOP" are written in a large, bold, white, sans-serif font. Below this, the words "SUPER MARKETS" are written in a smaller, bold, white, sans-serif font.

**STOP & SHOP**  
**SUPER MARKETS**